

**STATE OF NEW MEXICO
BEFORE THE SECRETARY OF THE ENVIRONMENT**

**WILLOW LAKE GAS PLANT
(CRESTWOOD NEW MEXICO) FOR AN
AIR QUALITY PERMIT, NO. 5142-M8**

AQB 21-38

FINAL ORDER

This matter comes before the Deputy Secretary of Environment¹ following a public hearing before the Hearing Officer on October 25-26, 2021. The public hearing was held virtually via the Zoom platform with the option for individuals to attend the virtual hearing at a location within the appropriate geographical area, consistent with the Amended Scheduling Order entered August 6, 2021.

Crestwood New Mexico Pipeline LLC (“Crestwood”) seeks to modify its existing New Source Review Permit for the Willow Lake Gas Plant (“Facility”) by the addition of three compressor engines, a produced water/condensate tank, and a triethylene glycol dehydration unit and associated reboiler at the Willow Lake Compressor Station. This additional equipment will increase the gas gathering capacity of the Facility to accommodate increased production from upstream oil and natural gas producers. Increasing Crestwood’s gas gathering capacity will allow upstream producers to send more gas to the Facility in lieu of flaring or venting the gas in the field, thereby avoiding the carbon dioxide and methane emissions associated with wellhead flaring and venting, resulting in positive environmental benefits.

In addition, Crestwood seeks to revise some of the Facility’s existing emission sources. Specifically, to change formaldehyde emissions to account for higher catalyst

¹ See June 25, 2021, Delegation of Authority.

control efficiency guarantees for seven of the existing compressor engines (i.e., cleaner engine exhaust), increase the volume of liquid throughput going through storage tanks and loaded into tank trucks, increase the volume of gas the Facility may need to control by flaring, and increase the estimate of fugitive components because of the additional equipment added.

Following both an administrative and technical review, NMED issued Draft Permit No. 5142-M8 on March 18, 2021. The New Mexico Environment Department's Air Quality Bureau supports approval of the Draft Permit allowing construction and modification of the Facility with permit conditions necessary to protect human health and welfare and the environment.

Having considered the Hearing Record as defined in 20.1.4.7 NMAC, including all post-hearing submittals and the Hearing Officer's Report, and being otherwise fully advised regarding this matter,

THE DEPUTY SECRETARY HEREBY ADOPTS THE HEARING OFFICER'S REPORT AND FINDINGS OF FACT AND CONCLUSIONS OF LAW.

IT IS THEREFORE ORDERED:

The application for an air quality permit is granted, and the permit shall be issued by the Air Quality Bureau in the form set forth in the Draft Permit, as shown in the Administrative Record.

REBECCA ROOSE, Deputy Secretary of Environment

NOTICE OF RIGHT TO REVIEW

Pursuant to Section 74-2-7.H, NMSA 1978, any person who participated in this permitting action and who is adversely affected by the action may file a petition for hearing by the Environmental Improvement Board, c/o Gregory Chakalian, 1190 St. Francis Drive, Santa Fe, New Mexico 87502. The petition shall be made in writing to the Board within thirty days from the date notice is given of this action.